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CONGRESSIONAL RECORD — SENATE

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In addition to the smallness of the expected rise in business investment outlays—the 4 per cent forecast for this year contrasts with a 16½ per cent rise in 1966—economists also saw reason for concern in the predicted downturn in investment in the first two quarters of this year.

A downturn for two quarters and then a rebound—which is the pattern the survey predicts—is extremely unusual although not unprecedented. Such a dip in investment, limited to two quarters, occurred in 1952 and 1962. It is more usual, however, for business investment to decline over a considerably longer period, once it starts heading down.

ANNUAL RATES GIVEN

The survey showed that actual business outlays for new plants and equipment were at an annual rate of \$62.8-billion in the final quarter of last year.

Outlays on an annual basis for the first quarter are expected to dip to \$62.6-billion and to drop further for the second quarter to \$62.25-billion. For the second half of this year, expenditures are forecast at an annual rate of \$63.65-billion.

For 1967 as a whole, the expected outlays work out to a total expenditure of \$63-billion, which is essentially unchanged from the level for the fourth quarter of last year.

Business investment outlays for all of 1966 totaled \$60.6-billion, the survey found.

MIXED PATTERN DISCERNED

The survey also disclosed a mixed pattern, by quarters, compared with the spending expectations disclosed by the Government's most recent previous survey of business spending, which was made last fall.

Actual investment in the fourth quarter of last year was slightly higher than anticipated by business during the November survey. But planned outlays in the first and second quarters of this year were revised downward by 1½ and 3 per cent, respectively, from the earlier forecasts.

A pattern of downward revisions of earlier expectations has often preceded even larger cuts in actual investment outlays.

Government officials at the policy level declined to discuss the survey figures or what they might produce in Government action on taxes.

EARLIER THAN PLANNED

A Government move to restore the 7 per cent investment tax credit earlier than originally planned—if that is the decision—would not necessarily mean that the Administration would also scrap its request for a 6 per cent tax increase on all businesses and all but the lowest-paid individuals.

CONGRESS LEANING TOWARD ITS OWN PANEL ON DRAFT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to insert in the RECORD a column by Richard Wilson, entitled "Congress Leaning Toward Its Own Panel on Draft," which appeared in the Washington Evening Star of March 8, 1967.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGRESS LEANING TOWARD ITS OWN PANEL ON DRAFT

(By Richard Wilson)

Congress appears to be paying more attention to the report of its own civilian advisory panel on the draft than to President Johnson's commission. The argument doesn't center so much on drafting 19-year-olds first as on the proposed lottery-like random selection system, and college deferments.

The congressional advisory panel is dead set against the lottery system and abolishing col-

lege deferment. So are a good many influential members of Congress and they may change the law before letting the President bring about any drastic change in the Selective Service System under his discretionary authority.

The Pandora's box has been opened and it is not at all unlikely that the draft system will end up in a complete mess after many years of successful administration by Lt. Gen. Lewis B. Hershey.

Hershey views what is going on coolly, but he is ready to carry out the orders of the President, while not commenting on the fairness of a lottery system that he has opposed.

Lotteries have been tried before without much success—in both the North and the South during the Civil War, in World War I, and a part of World War II. After these and other systems created more inequities than they eliminated, the present system was adopted. This system establishes date of birth as the sequence for operating selective service.

It should not be supposed that a lottery system will eliminate inequities. On the contrary such arbitrary and haphazard choice will inevitably select many young men who would be deferred if reason, justice and the national interest were the measures. From the pragmatic point of view, a lottery might keep out of the military service by luck men best adapted to it, and take into it men who showed no promise of being good soldiers. Inequities of this kind are implicit in any system.

College deferment seems to many to be an inequity, and it cannot be questioned that there have been noxious abuses of this privilege. But it is not true that the deferment of students has meant they have been protected from the draft or given favored treatment as a class. Sixty percent of the college group has served in the armed forces either as volunteers or inductees, compared to 57 percent of non-college students, according to the congressional civilian advisory panel.

In any large-scale war, where the national security was at stake, there would be little argument that certain classes of students—scientists, doctors, dentists and others—should be deferred until they had mastered their special disciplines that were imperative to the national interest. In those circumstances, this would also include many graduate students whose deferment Johnson has now revoked.

The congressional panel appears to have approached this matter in a more practical way than the President's commission. The congressional panel called for tightening up student deferment.

What underlies almost all the trouble about the draft right now is one simple fact: Under present conditions the supply of young men exceeds by far the needs of the armed forces. All those available and qualified for military service are not required for active duty.

The local draft boards have tried to bring reason and justice into the selection, faultily in some cases, but on the whole with a keen concern for the national interest as well as local conditions. The President's commission would wipe out these boards and replace them by no more than 500 area centers applying uniform policies of classification and appeal.

Hershey's view is that the concept of local draft boards "is built on a uniquely American belief—that local citizens can perform a valuable service to the government and at the same time personalize the government's procedures to a young man fulfilling one of his earliest and most serious obligation of citizenship."

Perhaps it is at this point that the proposed new system breaks with the old. It would replace the old personalized system with a computerized, unpersonalized selection by chance, and with little concern for

the human judgment that has made the Selective Service System work pretty well the last 25 years.

The congressional panel on the draft contained men no less distinguished than the larger President's commission, although not so many who are popular in liberal circles. The more traditional and tried approach with all its errors appears to be carrying the heaviest weight in Congress.

THE CIA CONTROVERSY

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to insert in the RECORD a column by David Lawrence, entitled "Damage to United States as Well as CIA Seen," which appeared in the Washington Evening Star of March 8, 1967.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DAMAGE TO UNITED STATES AS WELL AS CIA SEEN

(By David Lawrence)

Evidence is beginning to mount that those people who started to publicize CIA operations and criticize its practices didn't help the cause of the United States in its battle against Communist imperialism.

On the surface, it looked like a natural thing for some youngster in the ranks of a student organization to attract attention to himself by demanding an end to CIA subsidies of his group. No thought was given however, to the consequences of the exposure. Some newspaper dispatches created the impression that something unethical and improper had been done by the government of the United States.

War, of course, is unethical in itself. Thus, to try to prevent a war by finding out what the enemy is doing involves surreptitious detective work and it is essential. But there are some critics who can say that even this is an invasion of somebody else's privacy.

Realistically speaking, the damage now has been done. The CIA has been given a body blow which can interfere with its effectiveness in future years. Throughout the world, where there are many intelligence systems, officials have watched with dismay and surprise the manner in which America's intelligence organization is being thwarted in its efforts to combat the Soviet operations in different parts of the world.

An intelligence officer who represents the United States in some foreign countries had this to say recently to a representative of U.S. News & World Report:

"The U.S., not just the CIA, suffered a severe defeat in this thing."

"The U.S. still must fight to prevent the Communists from having all their own way in international meetings of students—or teachers, or scientists, journalists, labor unions, whatever."

"But now that the CIA cover has been 'blown,' the job will cost much more. And it will take a long time before any U.S. organization or group can regain the effectiveness that the National Student Association had."

"These students were not instructed how to act, except in a very few cases. Main reliance was on the American instincts and patriotism of almost all the students who were financially helped to attend."

Little did the Americans who criticized the CIA, both inside and outside of Congress, realize perhaps how penetrating is the Communist influence in Latin America, where at any moment trouble can be stirred up which can involve the United States in more wars. What is happening too, in the Eastern bloc of Communist countries in Europe is an example of how difficult it is for the United

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States to "build bridges" with those countries. Despite all the outward appearance of a growing friendliness and the talk about the advantages of consular treaties, the Warsaw government deliberately denied former Vice President Richard Nixon a visa to enter Poland.

Unfortunately, some members of the American press did not take into account the damage they were doing their own government in the kind of publicity they gave to the exposure of the CIA subsidies to student organizations. The impression conveyed was that the United States government was subsidizing students within the United States and attempting to interfere with their operations in this country.

Actually, the Central Intelligence Agency has no authority or jurisdiction over anything that happens within the United States. The whole purpose of the CIA is to get information from foreign countries and to help American students who travel abroad to present the American point of view and learn what the Communist imperialists are saying and doing in student gatherings.

Now that student organizations have been held up to public criticism, doubtless these same youth groups will find more difficulties abroad. They will be suspected of representing the government, and they will have a problem in trying to prove that they are independent of governmental influence and subsidies. All this could have been avoided if the CIA had been given in a Cold War operation the same patriotic support that a military force receives at all times.

U.S. POLICY TOWARD EUROPE

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to insert in the RECORD a column by William H. Stringer, entitled "U.S. Policy Toward Europe," which appeared in the Christian Science Monitor of March 7, 1967.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. POLICY TOWARD EUROPE
(By William H. Stringer)

LONDON.—The United States is giving more careful and detailed attention to Europe than the headlines, or some of the calamity-howlers in Britain would suggest.

Washington's policy has had a poor press in London at various times lately. Yet there is much to be said on the other side.

In criticism of American behavior, the BBC carries documentaries on Vietnam which emphasize civilian casualties, say little about Viet Cong terrorism.

Sen. William Fulbright is featured on television declaring the United States should unconditionally cease bombing North Vietnam as the first step to peace.

The strident play "US" by the Royal Shakespeare Company at the Aldwych Theater denounces United States Vietnam policy.

Some members of the intellectual establishment complain that the United States, doing the wrong thing in Vietnam, is not doing much right about Europe either—is giving only a "lick and a promise" to European problems.

To set the record straight, there are these points in rebuttal:

1. The United States is quietly supporting Britain's bid to join the European Common Market. More, the White House hopes that if France's President de Gaulle again slams the door on Britain, the British will continue to "lay active siege" to the Continent, intending to gain entry at a later date.

2. The United States is working actively

at Geneva to get a nuclear nonproliferation treaty signed. When West Germany has balked at some of the terms, Washington has softened its insistence on strict international inspection.

3. President Johnson has not totally abandoned the idea of making a trip to Europe—particularly to Bonn and London—this year. The proposal is simmering on the back burner, to be taken up again if conditions seem right.

4. By the end of February a tripartite committee will again be wrestling with the "Troops in Europe" issue, and deciding what cuts may be possible, what financing will keep troop strength in Europe at safe levels, and—eventually—what new strategies should govern NATO.

5. Aware of the stubborn technological gap between America and Europe, the United States is proposing studies and plans for narrowing this gap. This is either outright altruism, or an intelligent awareness that technologically advanced nations make the best customers.

6. Washington is not criticizing Prime Minister Harold Wilson for his Vietnam maneuvers during the Kosygin visit to London, even though some officials rather wryly note that every time peace hopes are raised without substantiation, and then sink again, this saps morale all over the lot. President Johnson understands Mr. Wilson's problems with his party's left wing.

What does all this add up to? To American spokesmen, it means that President Johnson and the executive branch in Washington are indeed aware of Europe's concerns. Perhaps they haven't done enough, to date, to make their interest known. On the other hand, this may be a time to "leave Europe alone" and permit the British, the Germans, the French, and the Russians to modernize their relationships.

Perhaps it is on Vietnam that Britain hasn't received a sufficient argument from Washington, though the Conservative Party and Prime Minister Wilson's branch of the Laborites both uphold American policy, however strenuously some may argue oppositely.

Washington's view is that the Vietnam war is changing the entire outlook in Asia. For instance, Premier Lee of Singapore, no close ally of the United States, has declared that the Vietnam war is "buying Asia time"—time to regroup—and that it must not waste this precious time.

What is happening in Washington's view, is that Asia is discovering that China can be contained. Asia is not becoming a Chinese continent. Thus other countries can breathe more freely. There is opportunity ahead to rationalize Asia's power balances.

This tremendous development makes the Vietnam war seem worth while, in the White House view.

Meanwhile the peace feelers out of Hanoi are so meager as to be almost nonexistent. Washington is well aware that Hanoi may believe that if it can hold out until 1968, in the hope that in a political year the United States Government will be ready for peace at almost any price.

Hanoi may discover that this view is totally wrong.

And where does the bombing of North Vietnam fit in?

Washington's estimate, as relayed here, is that the bombing is doing about as much damage to the North as the Viet Cong guerrillas are doing in the South. In other words, at long last a countervailing force against guerrilla warfare has materialized in Vietnam.

The United States Government recalls that more Americans were lost during the Korean truce negotiations than during the war years previously. The White House does not intend to have that sort of thing develop from a premature, unreal truce in Vietnam.

AN EDEN WITHOUT SERPENTS?

Mr. JAVITS. Mr. President, I call attention to a magnificent article in last Sunday's New York Times by Walter Kerr, "An Eden Without Serpents? Unlikely," pointing out that even with the tremendous advance in national and State establishments on the arts, which I had the honor to originate in 1949, deep problems still exist; that these problems exist with respect to so-called State theaters abroad, in Communist countries, and that the problems do not differ from the problems experienced by our own theater. Indeed, our theater is more flourishing and far more vital, because it has the protection and security of civil liberties and private enterprise.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AN EDEN WITHOUT SERPENTS? UNLIKELY

(By Walter Kerr)

Worry, worry, worry. In the past week or so I have picked up the morning paper several times and seen, again, alarming signs of the instability of that grand new movement toward across-the-nation municipal theaters, and round-the-clock repertory, that we all so long for.

Yet another director has been fired in Pittsburgh; apparently he'd been doing too much Brecht. And the Long Wharf Theater in New Haven was on its knees begging for funds; apparently it had been doing too many brand-new presumably experimental scripts.

Naturally, we cry woe. Are our dreams unsound, is the looked-for miracle that is about to renew the American theater, a mirage, have we been kidding ourselves? Is there some fatal flaw in the whole notion of having dozens and dozens of local playhouses doing dozens and dozens of unfamiliar plays (unfamiliar because they are old or unfamiliar because they are new)? Is this nothing more than the vaunted "community" theater of the 1920's making its promises and breaking its neck all over again? (I suppose it should be remembered that earnest and intelligent men were writing books called "The Theater of Tomorrow" and "Footlights Across America" in the 1920's, too, sure that the municipal millenium and a playwriting renaissance were both at hand, hand in hand.)

BIGGEST MISTAKE

I think that before we cry woe we should learn to become realists. Our biggest mistake to date, I think, is to have imagined that sunup would come with a cloud in the sky, that the moment the new national program for the arts was announced it would just plain naturally flower and flourish, that we were going to get what we wanted without pain, patience, and the constant thunder of setbacks. Having a vision in our heads and much virtue in our hearts, we assumed that art would come leaping into our arms simply because our arms were now open, that quality would instantly follow upon generously doled-out cash, that virtue would in effect become its reward and ours. Why should there be problems when the over-all program is so distinctly desirable?

And so, having erected a quick kingdom upon a myth, we stagger under the blows that fall. There is no need to. Indeed, what we must do is brace ourselves to the inevitable onrush of more blows, and then, when we have begun to get somewhere, to the utter certainty that the most perfectly realized vision is still going to house an astonishing brood of vipers, day by day, decade by decade. We must stop being inno-